

## INITIATIVE 723

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 723 to the People is a true and correct copy as it was received by this office.

1       AN ACT Relating to reducing the state property tax; amending RCW  
2 43.135.045, 84.52.043, and 84.52.065; adding a new section to chapter  
3 84.55 RCW; and providing an expiration date.

4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

5       **Sec. 1.** RCW 43.135.045 and 1994 c 2 s 3 are each amended to read  
6 as follows:

7       (1) The emergency reserve fund is established in the state  
8 treasury. During each fiscal year, the state treasurer shall deposit  
9 in the emergency reserve fund all general fund--state revenues in  
10 excess of the state expenditure limit for that fiscal year. Deposits  
11 shall be made at the end of each fiscal quarter based on projections of  
12 state revenues and the state expenditure limit.

13       (2) The legislature may appropriate moneys from the emergency  
14 reserve fund only with approval of at least two-thirds of the members  
15 of each house of the legislature, and then only if the appropriation  
16 does not cause total expenditures to exceed the state expenditure limit  
17 under this chapter.

18       (3) The emergency reserve fund balance shall not exceed five  
19 percent of ((~~biennial~~)) annual general fund--state revenues as

1 projected by the official state revenue forecast. Amounts in excess of  
2 five percent shall be transferred as follows:

3 (a) One-half of any balance in excess of five percent shall be  
4 transferred on a quarterly basis by the state treasurer to the  
5 education construction fund hereby created in the treasury. ((+4)(a))  
6 Funds may be appropriated from the education construction fund  
7 exclusively for common school construction or higher education  
8 construction. ((+b)) Funds may be appropriated for any other purpose  
9 only if approved by a two-thirds vote of each house of the legislature  
10 and if approved by a vote of the people at the next general election.

11 (b) One-half of any balance in excess of five percent shall be  
12 transferred on a quarterly basis by the state treasurer to the property  
13 tax reduction fund created in the treasury. The amount transferred  
14 into the property tax reduction fund must be used to reduce the state's  
15 portion of the property tax levy for the following year. The amount  
16 transferred into the property tax reduction fund for any four-quarter  
17 period ending September 30th may not exceed the amount of tax that  
18 would otherwise be levied by the state for the support of the common  
19 schools for collection the following calendar year, as forecast by the  
20 economic and revenue forecast council. This unused taxing capacity may  
21 not be used to supplant the need to use other revenue sources.

22 (4) An appropriation approved by the people under ((this))  
23 subsection (3)(a) of this section shall result in an adjustment to the  
24 state expenditure limit only for the fiscal period for which the  
25 appropriation is made and shall not affect any subsequent fiscal  
26 period.

27 **Sec. 2.** RCW 84.52.043 and 1995 c 99 s 3 are each amended to read  
28 as follows:

29 Within and subject to the limitations imposed by RCW 84.52.050 as  
30 amended, the regular ad valorem tax levies upon real and personal  
31 property by the taxing districts hereafter named shall be as follows:

32 (1) Levies of the senior taxing districts shall be as follows: (a)  
33 The levy by the state shall not exceed ~~((three dollars and sixty~~  
34 ~~cents))~~ two dollars and forty cents per thousand dollars of assessed  
35 value adjusted to the state equalized value in accordance with the  
36 indicated ratio fixed by the state department of revenue to be used  
37 exclusively for the support of the common schools; (b) the levy by any  
38 county shall not exceed ~~((one dollar and eighty cents))~~ two dollars and

1 seventy cents per thousand dollars of assessed value; (c) the levy by  
2 any road district shall not exceed two dollars and (~~twenty-five~~)  
3 fifty-five cents per thousand dollars of assessed value; and (d) the  
4 levy by any city or town shall not exceed three dollars and (~~thirty-~~  
5 ~~seven~~) sixty-seven and one-half cents per thousand dollars of assessed  
6 value. However any county is hereby authorized to increase its levy  
7 from (~~one-dollar-and-eighty~~) two dollars and seventy cents to a rate  
8 not to exceed (~~two-dollars-and-forty-seven~~) three dollars and sixty-  
9 seven and one-half cents per thousand dollars of assessed value for  
10 general county purposes if the total levies for both the county and any  
11 road district within the county do not exceed (~~four-dollars-and-five~~)  
12 five dollars and twenty-five cents per thousand dollars of assessed  
13 value, and no other taxing district has its levy reduced as a result of  
14 the increased county levy.

15 (2) The aggregate levies of junior taxing districts and senior  
16 taxing districts, other than the state, shall not exceed (~~five-dollars~~  
17 ~~and-ninety~~) seven dollars and ten cents per thousand dollars of  
18 assessed valuation. The term "junior taxing districts" includes all  
19 taxing districts other than the state, counties, road districts,  
20 cities, towns, port districts, and public utility districts. The  
21 limitations provided in this subsection shall not apply to: (a) Levies  
22 at the rates provided by existing law by or for any port or public  
23 utility district; (b) excess property tax levies authorized in Article  
24 VII, section 2 of the state Constitution; (c) levies for acquiring  
25 conservation futures as authorized under RCW 84.34.230; (d) levies for  
26 emergency medical care or emergency medical services imposed under RCW  
27 84.52.069; (e) levies to finance affordable housing for very low-income  
28 housing imposed under RCW 84.52.105; and (f) the portions of levies by  
29 metropolitan park districts that are protected under RCW 84.52.120.

30 **Sec. 3.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to  
31 read as follows:

32 Subject to the limitations in RCW 84.55.010, in each year the state  
33 shall levy for collection in the following year for the support of  
34 common schools of the state a tax of (~~three-dollars-and-sixty~~) two  
35 dollars and forty cents per thousand dollars of assessed value upon the  
36 assessed valuation of all taxable property within the state adjusted to  
37 the state equalized value in accordance with the indicated ratio fixed  
38 by the state department of revenue. An amount equal to an additional

1 one dollar and twenty cents per thousand dollars of assessed value upon  
2 the assessed valuation of all taxable property within the state  
3 adjusted to the state equalized value in accordance with the indicated  
4 ratio fixed by the state department of revenue, shall be dedicated from  
5 other revenue paid into the general fund of the state treasury for  
6 support of common schools of the state.

7 As used in this section, "the support of common schools" includes  
8 the payment of the principal and interest on bonds issued for capital  
9 construction projects for the common schools.

10 NEW SECTION. Sec. 4. A new section is added to chapter 84.55 RCW  
11 to read as follows:

12 (1) The limitation provided in RCW 84.55.010 does not apply to  
13 chapter . . . , Laws of 2000 (this act).

14 (2) In the first year following the effective date of this act, the  
15 county taxing district levy shall not be less than the prior year's  
16 levy plus ninety cents.

17 (3) This section expires December 31, 2001.

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